GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

CAF & CS Department – APSCSCL – Empanelment of Vendors and Supply of Fast Moving Consumer Goods to the F.P. Shops and implementation of F.P. Shops as Village Malls in Andhra Pradesh – Orders – Issued.

CONSUMER AFFAIRS, FOOD & CIVIL SUPPLIES (CS.I) DEPARTEMNT

G.O.MS.No. 8 Dated: 23-05-2018.
Read the following:

1.Note from V.C. & MD., A.P. State Civil Supplies Corporation Ltd., Vijayawada.
2. Govt. Letter No.CS I (1)/113/2017, dated:07-11-2017.
3. From VC & MD., APSCSCL., Lr.No: Mktg. M6/4222/2016, dated:30-11-2017.

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The VC&MD., APSCSCL has reported that upgrading the FP shops to that of Village Malls is one of the long pending demands of FP shop dealers. The Hon'ble Minister for Civil Supplies has suggested to study the system prevalent in Rajasthan State under "Annapurna Bhandar Yojana" Accordingly contacted with the officials of Rajasthan Civil Supplies Department/ Corpora(on and obtained the Expression of Interest (EOI) etc., issued by them. M/s KPMG were asked to adopt them for AP requirements. This subject was discussed with CCS and Hon'ble Minister on 05.07.2017 and decided to issue Request for Proposal. The FP shop dealers Association were called for a meeting on 06.07.2017 in Vijayawada. They were explained about the proposal in the presence of Hon'ble minister for Civil Supplies and DCS. It was deciding to issue Request for Proposal (RFP) and to engage KPMG for handholding till the final grounding of the programme.

2. The KPMG has offered its assistance to APSCSCL to formulate the system for empanelment of FMCG supplier/vendor and implementation of village Mail schemes in Andhra Pradesh. Because of designing the supply chain network of APSCSCL for optimum utilization of logistics by having understand of the operational structure of the organization, and the knowledge of geographical distribution of its Fair Price shop network, the KPMG have proposed to act as project consultant for handholding with APSCSCL for successful accomplishment of the set objectives of the village Mall schemes.

3. The Andhra Pradesh State Civil Supplies Corpora(on Ltd. has invited Request for Proposal (RFP) from Interested Food companies / FMCG companies / Food supply chain company's / Retail companies / E- commerce / Distributors / Specialized organizations for appointment of a supplier for various Food & FMCG products to selected fair price shops (FPS) in the state of Andhra Pradesh.

4. The main objective behind the issuance of the RFP is to enable the corporation in implementation of its function of:

- providing non – PDS items at affordable prices to general public through FPS. In detail the objectives are –
- The consumers shall get good quality products of their choice at the affordable prices.
- The consumers shall be able to get range of products for their consumption.
- The reach of consumers to the products generally not available in their areas shall be accessible too.
- The consumable items required for their consumption shall be made available under one roof.
- They shall also consume high quality products for their day to day life.
- Ultimately lifestyle of the general people shall improve.
- To provide on – demand products to the consumers Fair Price shops to be selected for proposed implementation on the village malls.

5. In continuation to the RFP for empanelment of vendor to supply various FMCG products to the selected Fair Price shops, a pre-bid meeting was conducted in AP Secretariat, Velagapudi. Basing on the discussions during pre-bid, the APSCSCL has issued a notification inviting the firms to participate in accordance with the eligibility criteria in the RFP for empanelment of vendor to supply various FMCG products to the selected Fair price shops.

6. Based on the proceedings of the technical evaluation, the committee opened the financial bids on 8thSeptember, 2017. The date of financial bid opening was informed to all the bidders. M/s Reliance and Walmart were present.

7. Based on the evaluation procedure specified at section 3.10 of the RFP, evaluation committee has undertaken financial evaluation of bids and undertook the following for proper evaluation of bids:

a) For the purpose of evaluation, bids were re-categorized to ensure uniformity across all financial bids.

b) Post re-categorization, bids were evaluated on number of product brands per category and the discounts offered across each category. Based on the evaluation, following scores have been given to each product category and best bidder was identified for each of the product category:

Category	Total No. Of Product Categories	RELIANCE (No.of Best bids)	FUTURE (No.of Best bids)	WALMART (No.of Best bids)
A	5	2	2	1
B	12	7	4	1
C	15	10	5	0
D	12	3	1*	9*
TOTAL	**44**	**22**	**12**	**11**

8. After complete evaluation, it is observed that M/s Reliance has secured best score in highest number of categories (22), however none of the bidders satisfies the criteria laid down at section 3.10 of the RFP to be the single preferred bidder (i.e., 22 out of 44 categories).

9. It was further observed that in terms of width of assortment offered by the 3 bidders M/s Walmart lies significantly behind the other two bidders (Walmart offered total of 566 SKUs across 210 product brand categories against 5,216 SKUs offered by M/s Future against 734 product brand categories). Also it was observed that M/s Walmart's major wins in terms of product categories are primarily across non-food products as against high sell-through food categories.

10. It is, therefore, suggested to allocate the districts to the top two bidders i.e. Reliance and Future with Reliance identified as L1 bidders for in the process, based on their technical strength, geographical presence, assortment width offered and associated discounts provided.

11. In view of the above, the V.C. & MD., APSCSCL., has furnished the following proposal to the Government for consideration and approval.

i) Future group can be assigned to supply products to the FPS in East Godavari, West Godavari and Nellore districts, whereas Reliance Retail can be assigned to supply the products to remaining 10 districts of the state, Detailed district wise allocation captured below.

Sl.No	District	Allocated to Vendor Name
1.	Srikakulam	Reliance
2.	Viziayanagaram	Reliance
3.	Visakhapatnam	Reliance
4.	East Godavari	Future
5.	West Godavari	Future
6.	Krishna	Reliance
7.	Guntur	Reliance
8.	Prakasam	Reliance
9.	Nellore	Future
10.	Chitoor	Reliance
11.	Kadapa	Reliance
12.	Kurnool	Reliance
13.	Ananthapur	Reliance

ii) The above allocation is subject to Future Group agreeing upon all the terms and conditions of RFP. Post same the L1 rates are to be shared with Future to get their concurrence on supplying the products at L1 rates.

12. After careful examination of the entire proposal, Government here by accord to the proposal of Andhra Pradesh State Civil Supplies Corporation Ltd., at para (11) above.

13. This order issues with the concurrence of Finance (FMU-A-C, AHDDF, CS) Department vide their U.O. FIN-38027/200/FMU (A&CACS)/2017, dated:22-02-2018.

14. The Vice Chairman and Managing Director, A.P. State Civil Supplies Corporation Ltd., Vijayawada is requested to take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.RAJSEKHAR
E.O.PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice-chairman and Managing Director, A.P. Sate Civil Supplies Corpora(on Ltd., Vijayawada.
Copy to:
The Commissioner of Civil Supplies, Government of A.P., Gollapudi, Vijayawada.
The Member Secretary, State Food Commission, Vijayawada.
The Controller, Legal Metrology, Vijayawada.
The Registrar, A.P. State Consumer Disputes Redressal Commission, Vijayawada.
The Finance (FMU-A-C, AHDDF, CS) Department, A.P. Secretariat, Velgapudi.
SF/SC.

//FORWARDED BY ORDER //

SECTION OFFICER